

Message Text

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15

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 AGR-20 SPC-03 AID-20

NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 L-03 H-03 CIAE-00 DODE-00 INR-10 NSAE-00 PA-04

USIA-15 PRS-01 COME-00 FRB-02 XMB-07 OPIC-12 LAB-06

SIL-01 INT-08 TAR-02 DRC-01 /210 W

----- 116576

R 160901Z OCT 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 7509

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USEC MISSION BRUSSELS

USOECD MISSION PARIS

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PASS TREASURY AND FEDERAL RESERVE

E. O. 11652: N/A

TAGS: EFIN, JA

SUBJ: JAPAN'S BALANCE OF PAYMENTS IN SEP -- PROVISIONAL

SUMMARY: PRELIMINARY PAYMENTS POSITION RECORDED SMALLER
OVERALL DEFICIT OF \$580 MIL IN SEP AS AGAINST DEFICIT OF \$872
MIL IN AUG. TRADE AND CURRENT ACCOUNT REGISTERED STRONG
IMPROVEMENT DURING MONTH, WHILE COMBINED OUTFLOWS OF
LONG AND SHORT-TERM NON-BANK CAPITAL INCREASED.

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1. CURRENT ACCOUNT IN SEP, SEASONALLY UNADJUSTED, SHOWED SURPLUS OF \$290 MIL, IN CONTRAST TO DEFICIT OF \$315 MIL RECORDED IN AUG. TRADE SURPLUS OF \$590 MIL RECORDED IN SEP, SHOWING SIGNIFICANT INCREASE OVER SURPLUS OF \$16 MIL FOR PREVIOUS MONTH. EXPORTS FOR MONTH OF SEP WERE UP 12.3 PERCENT FROM AUG, CONTINUING GENERALLY UPWARD TREND RECORDED WITH FEW EXCEPTIONS SINCE MID-1972. ANALYSTS CITE INCREASE IN SHIP DELIVERIES DURING SEP AS ACCOUNTING FOR LARGE PORTION OF LAST MONTH'S RISE. IMPORTS WERE DOWN 7.6 PERCENT FROM PREVIOUS MONTH, PARTIALLY AS FUNCTION OF SLIGHT DECLINE IN WORLD COMMODITY PRICES. SEP DEFICIT ALSO REFLECTS CONTINUED HEAVY OUTFLOWS OF LONG-TERM CAPITAL IN AMOUNT OF \$780 MIL, AN INCREASE OF MORE THAN \$240 MIL FROM LEVEL IN AUG. SHORT-TERM CAPITAL OUTFLOWS ALSO UP SOMEWHAT FROM PREVIOUS MONTH.

2. ON SEASONALLY ADJUSTED BASIS, CURRENT ACCOUNT DEFICIT IN SEP WAS \$26 MIL (IN AUG DEFICIT OF \$481 MIL), INCLUDING TRADE SURPLUS OF \$274 MIL (AUG DEFICIT OF \$150 MIL). SEASONALLY ADJUSTED EXPORTS REGISTERED \$3,081 MIL IN SEP (AUG \$2,924 MIL), WHILE IMPORTS REGISTERED \$2,807 MIL (AUG \$3,074 MIL).

3. PROVISIONAL UNADJUSTED DATA JAPAN'S BALANCE OF PAYMENTS IN SEP IN MIL DOLLARS (SEP 72 DATA IN PAREN): OVERALL BALANCE MINUS 580 (PLUS 579); EXPORTS 3,250 (UP 25.0 PERCENT FROM 2,600); IMPORTS F.O.B. 2,660 (UP 58.7 PERCENT FROM 1,676); SERVICES AND TRANSFERS COMBINED MINUS 300 (MINUS 217); LONG-TERM CAPITAL MINUS 780 (MINUS 338); SHORT-TERM NONMONETARY CAPITAL AND ERRORS AND OMISSIONS MINUS 90 (PLUS 210). RATE OF EXCHANGE USED FOR SEP WAS YEN 265.49 PER DOLLAR AND FOR AUG YEN 265.03 PER DOLLAR.

4. PUBLISHED OFFICIAL RESERVES DOWN \$331 MIL IN SEP TO \$14,795 MIL. GOLD AND FOREIGN EXCHANGE TOTALED \$13,630 MIL, GOLD TRANCHE \$652 MIL, AND SDR'S \$513 MIL.

5. PRELIMINARY CUSTOMS DATA FIGURES ARE ALSO PRESENTED AS USUAL IN DOLLARS. HOWEVER, RATE OF EXCHANGE USED FOR SEP 73 WAS YEN 265.40 PER DOLLAR FOR EXPORTS AND YEN 265.40 FOR IMPORTS. PRELIMINARY CUSTOMS DATA SHOW GLOBAL EXPORTS \$3,313 MIL UNCLASSIFIED

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(YEN 879,343 MIL) UP 25.4 PERCENT AND IMPORTS \$3,232 MIL (YEN 857,800 MIL) UP 57.3 PERCENT FROM YEAR AGO. TOTAL EXPORTS TO U.S. IN MIL DOLLARS 843.7, UP 2.0 PERCENT FROM SEP 72. IMPORTS FROM U.S. 775.4, UP 63.7 PERCENT.

6. BY SPECIAL CLASSIFICATION, GLOBAL IMPORTS OF AGRICULTURAL GOODS UP 61.1 PERCENT FROM SEP 72, CONSUMER NONDURABLES UP 196.7 PERCENT, CONSUMER DURABLES UP 42.9 PERCENT, INDUSTRIAL

SUPPLIES UP 56.0 PERCENT, AND CAPITAL EQUIPMENT UP 47.5 PERCENT. IMPORTS OF IRON ORE AND STEEL SCRAP UP 38.2 PERCENT AND 446.6 PERCENT RESPECTIVELY; IMPORTS OF COAL AND CRUDE OIL UP 27.2 PERCENT AND UP 29.6 PERCENT RESPECTIVELY; IMPORTS OF SOYBEANS UP 86.3 PERCENT; IMPORTS OF LUMBER UP 82.4 PERCENT.

7. CUSTOMS EXPORTS TO U.S.: TV'S DOWN 8.0 PERCENT FROM SEP 72, RADIOS UP 9.4 PERCENT, TAPE RECORDERS UP 7.4 PERCENT, OPTICAL INSTRUMENTS UP 20.3 PERCENT. IRON AND STEEL DOWN 13.9 PERCENT. SYNTHETIC TEXTILES UP 4.1 PERCENT, CLOTHING DOWN 28.3 PERCENT, CHEMICALS DOWN 0.2 PERCENT, COTTON FABRICS DOWN 60.1 PERCENT, FOODSTUFFS UP 37.3 PERCENT, FISH AND SHELLFISH UP 48.5 PERCENT. EXPORTS OF OFFICE EQUIPMENT UP 52.0 PERCENT AND THOSE OF METAL PRODUCTS UP 5.0 PERCENT.

8. CUSTOMS IMPORTS FROM U.S.: TOTAL FOODS UP 133.7 PERCENT FROM SEP 72, BEEF UP 261.5 PERCENT, FISH AND SHELLFISH UP 172.0 PERCENT, SOYBEANS UP 55.6 PERCENT, FEED CORN UP 135.1 PERCENT, SORGHUM UP 41.1 PERCENT, WHEAT UP 139.1 PERCENT, RAW COTTON UP 471.6 PERCENT. LUMBER WAS UP 36.3 PERCENT, OFFICE EQUIPMENT UP 10.8 PERCENT, AIRCRAFT UP 213.0 PERCENT, TOYS AND INDOOR GAMES DOWN 88.7 PERCENT. THOSE OF METAL MATERIALS WERE UP 425.4 PERCENT, CHEMICALS UP 64.6 PERCENT AND NONFERROUS METALS UP 256.5 PERCENT.

9. MOF HAS RELEASED EXTERNAL TRADE TOTALS FOR FIRST HALF JFY 73 (APR-SEP 73). FIGURES SHOW LARGE DEFICIT OF \$1,067 MILL ON CUSTOMS CLEARANCE BASIS. OFFICIAL INDICATE SIX-MONTH DEFICIT REPRESENTS RECORD DEFICIT FOR ANY PREVIOUS SEMI-ANNUAL JFY PERIOD. ACCORDING TO PRELIMINARY STATISTICS, TOTAL EXPORTS ON CUSTOMS BASIS WERE \$18,280.8 MIL WHILE IMPORTS WERE RECORDED AT \$19,347.9 MIL. TOTAL EXPORTS UNCLASSIFIED

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REPRESENTED INCREASE OF NEARLY 30 PERCENT OVER CORRESPONDING PERIOD OF JFY 72, WHILE TOTAL IMPORTS WERE UP NEARLY 70 PERCENT.

10. BY REGION, JAPAN'S EXPORTS TO DEVELOPED NATIONS FOR APR-SEP WERE UP 18.3 PERCENT OVER SAME PERIOD OF JFY 72. EXPORTS TO U.S. WERE UP ONLY 4.3 PERCENT WHILE THOSE TO WESTERN EUROPE INCREASED 391 PERCENT. EXPORTS TO DEVELOPING NATIONS WERE UP 46.9 PERCENT, WITH THOSE TO SOUTHEAST ASIA SHOWING AN INCREASE OF 45.3 PERCENT. EXPORTS TO COMMUNIST COUNTRIES AS A GROUP WERE UP 34.8 PERCENT, WITH EXPORTS TO CHINA INCREASING BY 85.1 PERCENT. IMPORTS FROM DEVELOPED NATIONS FOR THE SIX-MONTH PERIOD WERE UP SHARPLY BY 682. PERCENT. IMPORTS FROM THE U.S. REGISTERED A 65.1 PERCENT RISE WHILE THOSE FROM WESTERN EUROPE WERE UP 69.0

PERCENT. IMPORTS FROM DEVELOPING NATIONS WERE AHEAD BY
67.9 PERCENT, WITH THOSE FROM SOUTHEAST ASIA SHOWING A
96.8 PERCENT INCREASE. IMPORTS FROM COMMUNIST COUNTRIES
AS A GROUP WERE UP 104.6 PERCENT, WITH IMPORTS FROM CHINA
SHOWING THE MOST DRAMATIC INCREASE, UP NEARLY 123 PERCENT.
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